

California Environmental Protection Agency



Air Resources Board

*LCFS Sustainability
Workgroup Meeting*

August 12, 2014

Agenda

- Welcome and Introductions
- ARB Activities Since Last Meeting
- Path Forward

Last Meeting – May 2013

Cap-and-Trade gave presentation of their third-party verification programs

- Third-party GHG verification is international standard
- Based on ISO Standards

Last Meeting – May 2013

- Provide carbon intensity incentives
 - Based on real CI reductions from best practices
 - Maintain rigor of Method 2 analyses
 - Auditing key role
- Discussed accreditation of auditors
- Voluntary sustainability provisions

ARB Internal Briefing

- Presented concept of Method 2/sustainability linkage
- Led to discussion of sustainability in larger context
 - ARB, Cal/EPA, GO
 - Cap-and-Trade Offset Protocols
 - Reducing Emissions from Deforestation and Forest Degradation (REDD)

Other Policies

Staff began drafting LCFS GHG Audit Protocols for ag-related Method 2 purposes

- Designed to meet ARB's needs
- Stover pathways
- Waste fuel pathways

Considered Cap-and-Trade Approach

- Model LCFS GHG Audit Protocols after C&T Offset Protocols
 - ARB acts as accreditor of verifiers
 - ARB audits the verifiers
- First agricultural offset protocol being developed for rice
- Discussed challenges of field-level audits

Related Calls & Meetings

- U.S. EPA - RFS2 Quality Assurance Program
- Genscape - Real-time facility monitoring
- Jody Endres *et al* - Biomass Market Access Standards
- ISCC - Discussion of standards
- Bonsucro - Discussion of standards
- Matt Rudolf - RSB
- NRDC and RSB - Meeting with ARB management on LCFS sustainability

ARB Contextual Activities

- Lawsuits
 - Federal - LCFS not facially discriminatory; back to District Court for other findings
 - State - CEQA and APA issues; must re-adopt LCFS
- March 2014 – First workshop of LCFS re-adoption
- July 2014 – SSD split and reorganization
- ADF Regulation

Summary of Activities

- ARB internal briefing initiated larger sustainability discussion
 - ARB programs (esp. Cap-and-Trade)
 - Cal/EPA
- Staff discussing enforcement, auditing, and sustainability with others
- Began drafting GHG audit protocols
- LCFS SWG re-convened



What Next?

Today's Discussion

- Review last year's sustainability proposal
- Identify work to be done
 - Principles & criteria for other fuels (e.g., electricity, natural gas, hydrogen)
 - Economic sustainability
 - Auditing, verification, certification
- Discuss resource constraints (ARB and others)
- Discuss updating Work Plan
- Establish meeting frequency

Next LCFS Sustainability Workgroup Meeting

- Date
- Agenda

Contacts

Carmen Spranger

916.322.2778

csprange@arb.ca.gov

Mike Waugh, Chief

**Transportation Fuels
Branch**

916.322.8263

mwaugh@arb.ca.gov

Website: <http://www.arb.ca.gov/fuels/lcfs/workgroups/lcfssustain/lcfssustain.htm>